

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of: NAULT, Jacques

Group Art Unit: 3627

Serial No. 09/736,345

Examiner: KRAMER, James A.

Filed: 12/15/2000

Dkt No: NAU14545-1

For: FINANCIAL STATEMENT MODULE

To: Mail Stop After Final  
Commissioner for Patents  
PO Box 1450  
Alexandria, VA 22313-1450

From:

24222

CERTIFICATE OF FACSIMILE 37 CFR 1.8: I certify that this correspondence is being faxed to: Examiner James A. Kramer, at FAX #: 571.273.8300, TEL #: 571.272.6783 on the below date.

Date: January 30, 2006 ☒ Debra A. Stengel or ☐ Scott I. Asmus, Reg. No. 42,269

Dear Honorable Commissioner:

This declaration is offered in support of the above application for patent.

**RULE 132 DECLARATION OF JACQUES NAULT (37 CFR 1.132)**

The invention described in the patent application is the result of twenty years of studies and Research and Development. In 1979, I received a mention for ranking 57<sup>th</sup> out of 1753 participants to the 1979 Province of Quebec Mathematical Contest. I went on to receive a Professional degree in data processing as a computer programmer from Edouard-Montpetit College, Quebec, Canada [1979-1982]. I then received a Bachelor in Business Administration, with a concentration in accounting from Sherbrooke University, Quebec, Canada [1982-1986]. Following graduation from the University, I worked as an apprentice in the Chartered Accountants' firm Grand Thornton, Raymond Chabot as external auditor from 1986-1989. A Chartered Accountant is the equivalent to the Certified Public Accountant in the United States.

Since 1989, I have been primarily involved in research and development in a financial computer program which has evolved to the invention described in the patent application. This patent application for the "Financial Statement Module" describes a unique and universal method to

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build financial statements with a computer employing optimal data structures and algorithms, allowing the module to read, organize and manipulate the accounting data of any accounting software.

I believe that over the next several years, all accounting software will integrate this simple and flexible method to build their financial statements. In addition, with its data structures and algorithms allowing the module to read and organize the accounting data, including data from any accounting software, this invention can be integrated into word processor software to create a universal financial statements generator and into spreadsheet software to manipulate accounting software data.

Due to the value of this universal tool, and the manner in which the invention can be misappropriated and copied, I want to make sure I have adequate protection and the right to exclude others from making or using my invention. Without such protection, large companies would easily be able to take this innovative solution and reproduce my invention.

With this in mind, a Provisional Patent Application was filed 12/20/1999 followed by a non-provisional Patent Application filed 12/15/2000. Since that time I have been rigorously trying to obtain the patent protection needed in order to further my business goals. Furthermore, it is my goal to make the invention available to millions of users who generate financial statements each day, providing help to improve their work and thereby benefiting mankind. The patent application was published by the USPTO on 11/22/2001 under the publication number US-2001-0044762-A1. Thus, the invention is disclosed and the patent protection is necessary as soon as possible without further delays.

With patent protection, the plan is to license part of the patent rights to a software editor manufacturer for the creation of a universal financial statements generator and for the use of the capacities to read, organize and manipulate the accounting data of any accounting software, and to market software that can be developed from the results of the research and development work, which results require the integration of the graphics capacities (mouse and high resolution

video) into the I/O screen routines. However, without patent protection the concept can be misappropriated and taken by others. Only the patent protection of my invention will allow me to protect my invention.

#### Background of the Invention

While working as an apprentice, I worked with many of the bookkeeping products to generate the required reports. The accounting data would come in from clients in different forms and produced by different products. And, the accounting person has to take the accounting data and prepare financial statements according to the Canadian Institute of Chartered Accountants (CICA) recommendations. Typically this meant starting with the trial balance resulting from the bookkeeping process, making adjustments to account balances in accordance with the generally accepted accounting principles (GAAP), preparing financial statements by performing the grouping of accounts into financial statement items to be presented under categories of items, and generating reports and financial statements by hand, and then using a word processor to produce final financial statements along with auditor's report. While the industry is replete with products and tools for bookkeeping, there were no universal tools offering the flexibility and capacities of a word processor while integrating accounting data, to perform such processes and facilitate the work done by accounting persons such as accountants, financial officers, and auditors.

Having a quite unique combination of a professional accounting and computer programming background, I envisioned a universal tool that would allow manipulation of any type of accounting data and easily manipulate that data into some type of financial report. This would allow an accounting person to extract data from any of the bookkeeping software packages and easily derive any financial statements. I have yet to find any reference that even comes close to the features of my invention. This may be due to my unique education and skills combining professional accounting and computer programming. I have yet to find anyone with a similar background.

#### Present Invention

We now know how, in a simple way, the Financial Statement Module, with its organization of the accounting data in the computer memory in conjunction with the display module and the algorithms, manipulate the data structures to group the accounts' balances into financial items and to group financial statement items' balances into totals, and to build financial statements.

I realized how flexible the Financial Statement Module method is in preparing financial statements. By using this invention, we can now build financial statements from accounting data of any accounting system (trial balance and/or transaction report), without any framework to respect. The method makes the distinction between two types of balances appearing on a financial statement, allowing the user to group accounts into financial statements items and to group financial statements items into totals, using simple point and click on the screen. Thanks to the optimal data structures, algorithms and display module of this unique and universal method, we can now build any type of financial statements with a computer, as described in the Financial Statement Module patent application.

It should now be understood how a computer allows reading, organizing and manipulation of even two or more trial balances, using the print command to 'print' to disk instead of printing paper by any accounting software. And, it should be understood how the system allows the building of Combined and Consolidated financial statements, using simple point and click on the screen, thanks to this unique and flexible and universal method to build financial statements.

With this understanding it should be readily apparent how easily this method can manipulate any accounting trial balance and its balances, and can be applied by any accounting software.

On Jan. 26, 2006, I participated in a telephone interview with the Patent Examiner James Kramer. Instructions for running the demo software, including screen shots of some of the menu screens and displays, are attached herein entitled Financial Statement Module Quick Demo (12 pages). These instructions step through certain aspects of the invention so that the distinct processing is more easily understood.

During the telephone interview, the Examiner at one point announced that he now understood the invention and the manner in which it functions, which is very different than Peachtree. While we were unable to obtain allowance of all claims, as Examiner Kramer indicated he would have to make another search, I am highly confident that now that the Examiner comprehends the invention he will allow the patent to issue as claimed.

Some accounting systems offer the capability to save their data into readable files by other software (e.g.: spreadsheet software). The Financial Statement Module capacity to read, organize and manipulate the accounting data, simply stored on disk using the print command instead of printing on paper, will allow other software to read the accounting data of any accounting system. It is no longer required that the accounting software allows the other software (spreadsheet for example) to read its accounting data - It is the other software (spreadsheet for example) that has the capacity to read the accounting data of any accounting software.

It should be readily comprehended how a word processor software can easily integrate this method and replace the financial statements editor, turning a word processor into a fully integrated universal financial statements generator, offering all its flexibility to do so AND the integration with the accounting data of accounting systems.

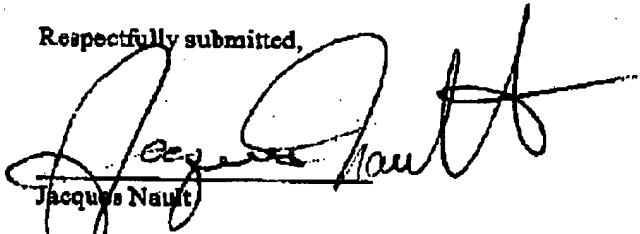
Being so, we are able to comprehend how easily this method for manipulating accounting data can be applied by any related software (auditing software, accounting software, word processor software, editing software, spreadsheet software....).

We have also seen that, with its organization of the accounting data in the computer memory, its display module and its algorithms, depending on the source of the accounting data, the financial statement module allows to detail a balance appearing on the financial statement up to the original transaction, details directly accessible from the consultation of the financial statement report displayed on the screen, allowing also to perform verification work.

A full form of what is described in the patent application will be the development of "a Master Auditing Software" that will allow external auditors to receive accounting books of a company "printed" on disk instead of papers, received by the Internet/email from their office or home. This will allow them to perform their auditing work such as account analysis, selection samples for test basis to obtain evidence to support the amounts and disclosures in the financial statements, transactions selection, and all other auditing processing in the audits of financial statements in accordance with auditing standards generally accepted.

The undersigned declares that all statements of his own knowledge made herein are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application of any patent issuing thereon.

Respectfully submitted,



Jacques Nault

01/29/2006  
Date

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